

**APPROVED REGULATION OF THE
STATE CONTRACTORS' BOARD**

LCB File No. R048-23

Filed April 19, 2024

EXPLANATION – Matter in *italics* is new; matter in brackets [omitted-material] is material to be omitted.

AUTHORITY: § 1, NRS 624.100 and 624.220.

A REGULATION relating to contractors; revising provisions governing financial statements required to be submitted to the State Contractors' Board for the purpose of determining qualifications for licensure and monetary limits for licenses; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires applicants for a contractor's license and licensed contractors to demonstrate to the State Contractors' Board certain qualifications for licensure, including, without limitation, financial responsibility. (NRS 624.260) Existing law also requires the Board to establish a monetary limit on a contractor's license, which represents the maximum contract a licensed contractor may undertake on one or more construction contracts on a single construction site or subdivision site for a single client. (NRS 624.220) In determining the monetary limit of a license, the Board is required to consider the financial responsibility of the applicant or licensed contractor. (NRS 624.220, 624.262, 624.263, 624.264) Under existing regulations, if an applicant for a contractor's license or a licensed contractor is required to submit a financial statement to the Board to establish the financial responsibility of the applicant or licensed contractor, the type of financial statement that the applicant or licensed contractor is required to submit is determined by the requested monetary limit of the license. (NAC 624.593) This regulation increases the amounts of the requested monetary limits that are used to determine the type of financial statement that an applicant or licensed contractor is required to submit to the Board.

Section 1. NAC 624.593 is hereby amended to read as follows:

624.593 If a licensee or an applicant for a contractor's license is required to submit a financial statement to the Board pursuant to NRS 624.262, 624.263 or 624.264, the financial statement must be:

1. If the requested monetary limit of the license is ~~[\$10,000]~~ **\$25,000** or less ~~[-]~~, *either:*
 - (a) Prepared by an independent certified public accountant;
 - (b) Submitted on a form prescribed by the Board and accompanied by an affidavit that verifies the accuracy of the financial statement; or
 - (c) Prepared using accounting software in accordance with generally accepted accounting principles and accompanied by an affidavit that verifies the accuracy of the financial statement.
2. If the requested monetary limit of the license is more than ~~[\$10,000]~~ **\$25,000** but less than ~~[\$50,000]~~ **\$500,000**, *either:*
 - (a) Prepared and compiled by an independent certified public accountant within 6 months before the filing of the application; or
 - (b) Prepared and reviewed or audited by an independent certified public accountant within 1 year before the filing of the application.
3. If the requested monetary limit of the license is ~~[\$50,000]~~ **\$500,000** or more but less than ~~[\$250,000]~~ **\$1,000,000**, *either:*
 - (a) Prepared and compiled by an independent certified public accountant with full disclosures within 6 months before the filing of the application; or
 - (b) Prepared and reviewed or audited by an independent certified public accountant within 1 year before the filing of the application.

4. If the requested monetary limit of the license is ~~[\$250,000]~~ **\$1,000,000** or more, prepared and reviewed or audited by an independent certified public accountant within 1 year before the filing of the application.